

APPENDIX F

APPENDIX F

SUPPLEMENTAL ENVIRONMENTAL PROJECT

A. PURPOSE OF THE SEP

The purpose of the Supplemental Environmental Project ("SEP") is to reduce extraneous flows entering the WCTS through defective residential Private Laterals and through illicit connections from residential properties of eligible property owners. For purposes of this SEP, an illicit connection is any residential connection to the WCTS that discharges any substance or solution that is not intended to be transferred via the WCTS, such as stormwater, surface water runoff and roof runoff. The WCTS becomes a conduit for stormwater when defective Private Laterals or illicit connections allow rain or groundwater to enter the WCTS. Certain components of the WCTS Evaluation Plan required by Section VIII. of the Consent Decree will assist the City in identifying defective Private Laterals in need of repair or replacement and illicit connections to the WCTS.

B. SEP WORK

The City may perform the repair or replacement of defective Residential Private Laterals of eligible property owners itself or may use contractors or consultants in implementing this SEP.

In implementing this SEP, the City shall do the following, in accordance with the schedule set forth below:

- Draft and submit a proposed Escrow Agreement for EPA review.
- Establish and fund the Escrow Account and provide EPA with a copy of the Escrow.

- Provide information to residential property owners advising of the potential availability of the SEP work and contact information if they are interested in participating; develop financial hardship qualifications to identify eligible residential property owners for work under this SEP, using 2010 census information to identify moderate, low and very low income levels eligible; and determine which residential property owners meet the financial hardship qualifications and are accepted to participate in the SEP and notify the owners. In the event that more eligible residents apply for the SEP than there are funds available, preference shall be given to eligible very low income residents, then eligible low income residents and then eligible moderate income residents.
- Direct the Contractor performing the repair or replacement of a Private Lateral under this SEP to secure appropriate permits for the work.
- Determine actions necessary to repair or replace Private Laterals or remove illicit connections pursuant to this SEP and ensure that all work is undertaken in a timely manner and in conformity with appropriate standards.
- Ensure SEP completion on time.
- Report as required by Consent Decree.
- Maintain records of deposits into the SEP Escrow; work performed; and payments made from the Escrow.
- Prepare monthly status reports to provide City program manager with pertinent information for preparation of Consent Decree progress reports to allow City program manager to monitor compliance with SEP.

C. SEP COSTS

The City shall spend at least \$875,000.00 in eligible SEP costs for the repair and/or replacement of Private Laterals or removal of illicit connections for eligible residential property owners. Eligible SEP costs cover only the costs of actual plumbing services on Private Laterals and illicit connections owned by private residential customers only. If the City utilizes its own employees and equipment to perform the SEP, the City shall only be given credit against the total funding obligation if the activity is not something that otherwise would have been performed by the City's employees and if any such work is supported by time and expense records which are subject to review by EPA. The credit received by the City for using its own employees and equipment to perform the SEP will be reflected as a reduction in the next

scheduled Escrow deposit following the performance of the SEP activities. The intention is that the funds deposited into Escrow for the SEP, combined with any eligible SEP costs for SEP activities performed using City employees and equipment will total at least \$875,000.00.

The average cost of the Services on each private residential property is expected to range from \$1,500 to \$2,500 for repair or replacement of a defective Private Lateral and \$750 to \$1,000 for removal of an illicit connection. Actual costs will depend on negotiated costs with Plumbers, length of Private Lateral, surface and sub-surface interferences to the Private Lateral, and other pertinent factors. While initial expectations anticipate repair or replacement of 394 Private Laterals and removal of 100 illicit connections, the actual number of Private Laterals repaired or replaced and illicit connections removed pursuant to this SEP may be higher or lower.

D. PROGRAM SCHEDULE

1. Payments into the SEP Escrow

The City shall deposit \$875,000.00 to an interest-bearing escrow account ("SEP Escrow") to be used for performance of the SEP, in accordance with the schedule below, and subject to any credit for eligible SEP costs of City employees or equipment under Paragraph C. The City shall allow the United States to review the proposed Escrow Agreement prior to depositing any funds in the SEP Escrow. The City shall provide a copy of the executed Escrow Agreement within thirty (30) Days of the City's initial deposit to the SEP Escrow. The City shall provide EPA with documentation of the deposits to the SEP Escrow within thirty (30) Days of each such deposit. The interest earned on the SEP Escrow funds, along with the City's deposits

equaling \$875,000.00 shall be used in performance of this SEP. The City shall make deposits to the SEP Escrow according to the following schedule:

Six (6) Months after Date of Entry	\$175,000.00
Eighteen (18) Months after Date of Entry	\$100,000.00
Thirty (30) Months after Date of Entry	\$100,000.00
Forty-two (42) Months after Date of Entry	\$100,000.00
Fifty-four (54) Months after Date of Entry	\$100,000.00
Sixty-six (66) Months after Date of Entry	\$100,000.00
Seventy-eight (78) Months after Date of Entry	\$100,000.00
Ninety (90) Months after Date of Entry	\$100,000.00

Provided, however, that the City shall make accelerated deposit of an upcoming payment if the amount of funds in the SEP Escrow account drops below \$100,000.00 due to disbursements.

2. Project Implementation

The City shall perform the following tasks according to the following schedule:

Months 1 through 24 after Date of Entry:

- Develop list of Plumbers who will perform Services at agreed-upon costs for standard scopes of work and in accordance with current plumbing code requirements.
- Develop scopes of work, fee schedule, forms, and contracts to be used in implementation of the SEP.
- Notify property owners of the program.
- Develop financial hardship qualifications for eligibility for the SEP.
- Determine which residents will be included in the SEP and notify those residents.
- Develop a system to maintain records of disbursement of funds from escrow and records of location data of residential property owners who have had Services performed on their property as part of the SEP program.

No later than 25 Months after Date of Entry and ongoing until completion of the SEP:

- Begin performing work under the SEP.

- Track work performed pursuant to the SEP and maintain records of all work performed, including, at a minimum, the names and addresses of all property owners receiving services.
- Track amounts disbursed from the SEP Escrow and maintain records of all deposits to the SEP Escrow, disbursements from the SEP Escrow, and eligible SEP Costs for SEP activities performed using City employees and equipment which may be eligible for a credit towards the SEP Escrow under Paragraph C.

No Later than 72 Months after Date of Entry:

- The City shall use best efforts to ensure that the SEP is performed expeditiously and that approximately 50% (\$437,500) of the SEP funds are made available to eligible participants within 72 months after the Date of Entry.

3. Reporting Schedule

The City shall provide semiannual reports to EPA within one (1) Month after the second and fourth Calendar Quarters of each year on the status of implementation of the SEP, including documentation of the following that has occurred during the preceding six (6) Months:

- Deposit of funds to the SEP Escrow by the City.
- Disbursement of funds from the SEP Escrow by the Escrow Agent to pay Plumbers for Services completed.
- The balance of funds in the SEP Escrow.
- Locations of private residential properties where Services have been performed under the SEP program, including the property address and the name and address of the owner of the property.
- Description of other tasks required performed to implement the SEP during the past two (2) Calendar Quarters.

On or before nine (9) years after Date of Entry, the City shall submit a Final Completion Report to EPA as provided in the Consent Decree, Paragraph 50.